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C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 001418

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SUBJECT: BOLIVIA IN CHAVEZ' EMBRACE

REF: LA PAZ 1414

Classified By: Ambassador David N. Greenlee for reasons 1.4d and b.

11. (C) Summary: The MAS party's May 26 Chapare-based campaign kick-off for the Constituent Assembly -- featuring President Evo Morales and his Venezuelan counterpart Hugo Chavez in the shared leading role -- revealed a Bolivian government fallen openly into Venezuela's embrace. Venezuelan officials exercised overall control of the event, including of logistics and security, while the Venezuelans themselves were exempt from even the pretense of Bolivian government control. The day's rhetoric rang with predictably "Boliviarian" themes: the ravaging failures of the neo-liberal economic model, the greed of the political right (representing rich elites) and the conspiratorial plotting of the United States. Invoking President Bush's expression of concern about the erosion of democracy in Venezuela and Bolivia, Chavez accused the U.S. of seeking to overthrow the Morales government. For his part, President Morales appeared decisively to cast his lot with Venezuela, and closed his speech with the cocalero refrain (in Quechua) "death to Yankees." While the participation of Chavez in a Bolivian political campaign has prompted some observers to cry "interference," most Bolivians appear not to mind. Some analysts see a pronounced shift in Bolivia's alliance orientation from the U.S. to Venezuela. End Summary.

12. (C) On May 26, the governing Movement Toward Socialism (MAS) party formally kicked off its campaign for the upcoming July 2 election of representatives to the Constituent Assembly. The event took place in the Chapare tropical lowlands town of Shinohata, the MAS's historical stronghold. President Evo Morales and his Venezuelan counterpart Hugo Chavez shared the leading actor role in the festivities, with Cuban Vice-President Carlos Lage supporting the prime-time cast. If there was any doubt about the question before, the campaign event revealed, in stark and unambiguous fashion, a Bolivian government that has willingly submitted to Venezuela's political embrace.

13. (C) Significantly, according to first-hand witnesses and media reports, Venezuelan officials openly controlled all coordination and logistical matters, and President Chavez' security detail was in overall charge of security issues, exercising visible authority over its Bolivian military police colleagues. Bolivian media representatives were at a loss as to the day's precise agenda, and there was no Bolivian government official at hand or in the position to clarify their confusion. Venezuelan government aircraft and personnel landed and departed from Bolivian territory without even the pretense of Bolivian immigration or customs control.

Meanwhile, Bolivian government officials participating in the event, including VP Alvaro Garcia Linera and Minister of Presidency Juan Ramon Quintana, appeared to follow the Venezuela-designed choreography with a kind of docile sheepishness. According to Embassy political assistant (who witnessed the event), it was as though the Bolivians were guests in their own country.

14. (C) The keynote speakers at Shinohata, where a throng of some 30,000 people had gathered in the fierce subtropical heat, were Presidents Chavez and Morales. Their rhetoric rang with predictably "Bolivarian" themes, laced through with indigenous revivalism. To highlight their message of solidarity with Bolivia's "indigenous" majority, both presidents wore thick colorful altiplano shawls and the traditional wool caps, complete with earflaps, used by the highlands Aymara people. (Comment: That such garb is designed for the icy altiplano cold, and patently ill-suited for the Chapare's somewhat different climate, only underscores the importance of symbolism over reality in the

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political cosmos of Chavez and Morales. End Comment.)

15. (C) Chavez, who spoke for approximately 90 minutes, blasted the neo-liberal economic model and the failed political right that he said only represented the rich elites, and claimed by contrast that Venezuela's and Bolivia's shared socialist revolution focused on the needs and interests of the poor instead. Citing news reports of President Bush's expressions of concern about the erosion of democracy in Venezuela and Bolivia, Chavez said this pointed to a U.S. imperialist plot to overthrow the democratically elected government of Morales, and warned that it was "impossible to overthrow the people." In an event at the National Palace in La Paz later the same evening, Chavez unveiled another Venezuelan 100 million USD economic support package for Bolivia aimed primarily at rural education and health.

16. (C) For his part, President Morales throughout the event and during his closing speech appeared to signal that Bolivia had abandoned all policy ambiguity and decisively cast its lot with Venezuela (ref). He thanked the U.S. for having built the local airport used as a base of operations for the day's events, and noted that it was (by implication, formerly) used as the headquarters for the U.S.-led forced coca eradication campaigns. (Note: The Chimore airport and base serve as NAS headquarters in the Chapare. End Note.) Whereas before Bolivian campesinos had been jailed here by a foreign power, Morales continued, today those same campesinos, empowered by the new government's people-friendly policies, could tread the base grounds free of fear. He also criticized President Bush's lack of ethics for the "genocidal" war in Iraq, and in a clamorous echo of his December 18 victory celebration speech, shouted the cocalero refrain "death to Yankees" (although he again softened the impact somewhat by doing so in Quechua rather than Spanish.)

17. (C) The open participation of Venezuela's President Hugo Chavez in a Bolivian political campaign has prompted some observers to cry "interference." Former Presidential candidate and Podemos leader Jorge "Tuto" Quiroga stated in a press interview that Bolivia was in danger of becoming a

Venezuelan satellite if current trends continued. Others have noted that the MAS government's insistence on regaining national sovereignty was contradicted by its increasingly open reliance on Venezuela. But this worry appears to be shared only by a distinct minority, mainly members of the middle and upper middle classes and partisans of the country's fragmented opposition. A majority of Bolivians, by contrast, seem not to mind, and see Chavez' actions not as interference but rather as welcome fraternal support for the country's long-neglected poor.

Comment: A Pronounced Shift

18. (C) There has long been speculation about the real nature and scope of Chavez's role in supporting Morales. The May 26 campaign event and its aftermath -- including a special May 28 "Alo-Presidente" show televised from the symbolic indigenous capital of Tiwanaku in which Chavez and Morales and several others participated -- should remove any doubt about the extent and intensiveness of that support. During that show, Chavez -- responding to the accusation of a Bolivian General that former President Mesa wanted to hand power to the military and close down Congress to avert the gathering crisis in June of 2005 and to thwart the momentum of Morales -- accused the U.S. Ambassador in Bolivia of trying to foment a military coup in Bolivia. He also said that the upcoming Constituent Assembly should ensure that Bolivia's Constitution keep the country's hydrocarbons resources in the hands of the state. In Bolivia's increasingly open and willing acquiescence to Venezuela's

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embrace, and in the inevitable anti-U.S. outbursts that this and the Morales government's own internal political imperatives appear to demand, some analysts see a larger shift in Bolivia's fundamental alliance orientation, from the U.S. to Venezuela.

GREENLEE